

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 05/11/09		Item Number: <u>A-3</u>					
AGENDA ITEM: Consideration of Grant Opportunities for the Culver City Cultural Affairs Foundation and Authorizing the Culver City Cultural Affairs Foundation to Submit Applications for Such Grants.							
Contact Person/Dept.: Susan Obrow / CDD		Phone Number: (310) 253-5762					
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒					
Public Hearing: ☐		Action Item: ☒ Attachments: ☒					
Public Notification: Master Notification List (); Cultural Affairs Commission (04/27/09); Cultural Affairs Foundation Board (04/27/09)							
Department Approval: Sol Blumenfeld (05/06/09)		City Attorney Approval: Carol Schwab (by H. Baker) (05/06/09)					
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (05/06/09)		City Manager Approval: Jerry B. Fulwood (05/06/09)					
<u>RECOMMENDATION:</u> Staff recommends the City Council authorize the Culver City Cultural Affairs Foundation ("Foundation") to apply for selected private foundation and government grant opportunities to enhance current Cultural Affairs work programs as recommended by the Cultural Affairs Foundation Board ("Board") and the Cultural Affairs Commission ("Commission"). <u>BACKGROUND:</u> On June 26, 2006, the Foundation's By-Laws and Articles of Incorporation were approved by the City Council (Attachments 1 and 2.) The Foundation is a 501(c)(3) non-profit organization whose sole activity is to raise funds, primarily through grants, to support approved Culver City Cultural Affairs work programs. The City Manager acts as the Chief Executive Officer for the Foundation and serves on the Board as a non-voting member. Each Cultural Affairs Commissioner appoints one representative to the seven-member voting Board. Additionally, the current Chair and Vice-Chair of the Commission serve on the Board. Current board members include: <table style="width: 100%; margin-top: 20px;"><tr><td style="width: 50%; vertical-align: top;">Christine Hardin</td><td style="width: 50%; vertical-align: top;">Interior Designer, Pickett Design (Culver City Business Owner)</td></tr><tr><td style="vertical-align: top;">Sofia Klatzker</td><td style="vertical-align: top;">Policy and Planning Manager, Los Angeles County Arts Commission (Culver City Resident)</td></tr></table>				Christine Hardin	Interior Designer, Pickett Design (Culver City Business Owner)	Sofia Klatzker	Policy and Planning Manager, Los Angeles County Arts Commission (Culver City Resident)
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Renae Williams Niles	Director of Dance Presentations, The Music Center (Culver City Resident)
Rick Noguchi	Program Officer, James Irvine Foundation (Culver City Resident)
Mercedes Paz-Slimp	Member, President's Committee on the Arts and the Humanities (Culver City Resident)

The Foundation is administrated by Cultural Affairs staff members Christine Byers, Jeremy Green and Susan Obrow. The start-up costs for the Foundation are currently provided through an allocation by the Redevelopment Agency as part of the Agency budget. This budget is utilized for financial organization, legal fees and grant administration.

The Foundation has its own Tax Identification Number and received its 501(c)(3) designation in 2008 from both the Internal Revenue Service and the State of California (Attachments 3 and 4.) Legal guidance has been provided through the City Attorney's Office as well as through its contracted firm of Aleshire & Wynder, LLP. The City's Chief Financial Officer and his staff have guided the financial organization of the Foundation since it is a component unit of the City (which means the Foundation's financial transactions must be included in the City's audited financial reports).

DISCUSSION:

Grant Opportunities

In 2006, the Council approved the Foundation's effort to seek private foundation grants to support the approved Cultural Affairs work programs of the City of Culver City and the Culver City Redevelopment Agency. The proposed first funding prospects are found in Attachment 5. The majority of the private foundations would require that a Letter of Intent be submitted for review. Based on research and advice, the proposed requests would range between \$5,000 and \$25,000 which would make an impact on the specific work programs identified. Should any of the potential funders respond favorably to the Letters of Intent, then professional grant writers would be engaged to complete the various applications. Staff has already made preliminary contact with three qualified grant writers. If a favorable response is provided from a potential grantor, then staff would engage the grant writer with the appropriate area of expertise and execute an administrative contract with them with funding already appropriated by the Agency as part of the Board's start-up costs.

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The Foundation is a component unit of the City, and the City Council and Commission have an intrinsic interest in the Cultural Affairs work programs. The Board reviewed and approved a recommendation to the Commission to pursue the suggested grants on January 27, 2009. Subsequently, on February 10, 2009, the Commission reviewed and approved a recommendation for final approval from the City Council. Additional grant recommendations may be reviewed at the next Foundation Board meeting in July 2009.

Other Support

The Finance Department is also investigating whether bequests or individual donations might be another source of funding. An update will be provided when there is more information regarding the potential process for either.

Staff does not recommend pursuing corporate sponsorships through the Foundation. The Foundation was primarily developed to access grants from private foundations that require applicants to have non-profit 501(c)(3) status.

FISCAL ANALYSIS:

The start-up costs for the Foundation are currently provided through an allocation by the Agency. The allocation for Fiscal Year (FY) 2008-09 is \$6,500 (59190100.514190). Proposed Allocations for FY 2009-10 and FY 2010-2011 will be presented to the Agency and City Council during the upcoming budget review. For tracking purposes, the Finance Department will most likely set up a new business unit specifically dedicated to Cultural Affairs Foundation expenditures. This budget is utilized for financial organization, legal fees and grant administration.

ATTACHMENTS:

1. Cultural Affairs Foundation By Laws
2. Cultural Affairs Foundation Articles of Incorporation
3. Designation letter from IRS
4. Designation letter from Franchise Tax Board, State of California
5. Proposed First Funding Prospects for Cultural Affairs Foundation

MOTION:

That the City Council:

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Authorize the Culver City Cultural Affairs Foundation to apply for the selected private foundation and government grants to enhance current Cultural Affairs work programs.